



County of Los Angeles
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DAVID E. JANSSEN
Chief Administrative Officer

April 3, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

WASHINGTON, D.C. UPDATE

The Congress will begin its two-week spring recess at the end of this week. Before the recess begins, Senate floor action will center on immigration while House floor action will focus on the Federal Fiscal Year (FFY) 2007 Budget Resolution, which sets spending and revenue targets for fiscal legislation. The outlook for floor action on both the immigration bill and the Budget Resolution is uncertain due to the lack of a consensus within the Republican majority.

Immigration

Last week, Senate floor debate began on major immigration legislation. By agreement with the Senate leadership, the bill approved by the Senate Judiciary Committee on March 27, 2006 will be considered as a substitute amendment to S. 2454 (Frist, R-TN), which is an immigration enforcement-only bill. The Senate Judiciary version includes the following items that are not in S. 2454:

- Temporary ("guest") worker provisions that would allow foreign workers to enter the country after demonstrating that they have jobs waiting for them. The guest worker visa would be valid for three years and renewable for another three years. After four years, the worker can apply for lawful permanent resident (LPR) status;
- Legalization provisions that would allow undocumented immigrants who were working in the U.S. on May 12, 2005 to apply for temporary lawful status for six years. After six years, applicants who worked or studied continuously would be able to adjust to LPR status;

- Agricultural worker provisions that would create a pilot program under which undocumented immigrants who worked in agriculture for at least 150 days in the two-year period ending on December 31, 2005 can apply for a "blue card" that provides them temporary lawful status. If they work an additional 150 days per year for three years or 100 days per year for five years, they can apply for LPR status; and
- "DREAM Act" provisions that would allow undocumented high school graduates to receive conditional LPR status, which normally would last for six years. During the conditional period, they either must graduate from a two-year college within two years, attend two years of a four-year college, or serve in the military for two years. At the end of the conditional period, those who meet at least one of the above requirements would be eligible to adjust to LPR status and could apply for naturalization without any further delay.

The Senate Judiciary bill does not include language in S. 2454, which would make it a crime to be in the country in violation of immigration laws, and to facilitate, encourage, direct, or induce a person to enter the U.S. or to encourage or induce a person to remain in the U.S. knowing that such person is not authorized to be in the country.

The outlook for Senate floor action is not clear. Numerous floor amendments are expected to be offered, and it is possible that the Senate will be unable to pass any bill. This is because it takes at least 60 Senators to limit debate (i.e., kill a filibuster), and it is unclear whether proponents of either an enforcement-only bill or a more comprehensive reform bill can secure a 60-vote majority.

FFY 2007 Budget Resolution

On March 29, the House Budget Committee approved its FFY 2007 Budget Resolution (H. Con. Res. 373) by a 22-17 party-line vote. The measure adopts President Bush's proposed \$873 million FFY 2007 discretionary spending cap, which is \$16 billion less than the Senate version (S. Con. Res. 83). The House Budget Resolution also includes reconciliation instructions that committees reduce mandatory (entitlement) spending by \$6.8 billion over five years. The Administration proposed \$65 billion in mandatory spending reductions while the Senate did not include any reconciliation instructions to cut mandatory spending.

The House Ways and Means Committee, which has jurisdiction over low-income entitlement programs, such as Temporary Assistance for Needy Families (TANF), child support enforcement (CSE), and foster care, has reconciliation instructions to cut \$4 billion over five years while the House Energy and Commerce Committee, which has jurisdiction over Medicaid, does not have any instructions to cut mandatory spending. Medicaid, however, still is at risk because most of the President's proposed Medicaid budget reductions, such as a proposed cap on Medicaid payments to government

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providers, are administrative proposals that assume that no implementing legislation is required.

H. Con. Res. 373 is being considered on the House floor this week. Its outlook is uncertain because House Democrats are united in opposition while there are divisions among rank and file Republicans. Republican moderates want higher spending levels while fiscal conservatives want lower spending levels. If the House passes its version this week, conference negotiations with the Senate could begin on the FFY 2007 Budget Resolution as early as the week of April 24, 2006.

Pursuit of County Positions on FFY 2007 Budget Resolution

The Budget Resolution does not set funding levels for individual programs. Instead, it imposes an overall limit on the amount of funds available for discretionary programs, which are funded through annual appropriations bills. The \$16 billion higher discretionary spending limit in the Senate version increases the likelihood that programs, such as the State Criminal Alien Assistance Program, Ryan White AIDS programs, Community Development Block Grant, and homeland security grants, which are County funding priorities in the Federal Agenda adopted by your Board on February 21, 2006, would be funded at a higher level in FFY 2007. **Consistent with those Board-adopted funding priorities, the County's Washington advocates will support the Senate's higher discretionary spending limit.**

Similar to last year, the FFY 2007 Budget Resolution may include reconciliation instructions for committees to cut entitlement spending. While the Senate version would not require any entitlement spending cuts, the House version includes \$6.8 billion in reconciliation instruction cuts of which \$4 billion would come from the House Ways and Means Committee, which has jurisdiction over the TANF, CSE, and foster care programs which are major funding sources for California and the County. The Federal Agenda adopted by your Board on February 21, 2006 includes policies opposing proposals that would reduce Federal financial participation in health and human services programs. **Based on these Board policies, the County's Washington advocates will support the Senate version which does not include reconciliation instructions that would increase the risk of these programs being cut.**

We will continue to keep you advised.

DEJ:GK
MAL:MT:cc

c: All Department Heads
Legislative Strategist